## FYI – For Your Information

## Special Regulation: Sand and Gravel

Sand and gravel removed from the ground becomes tangible personal property and are subject to the sales or use tax that applies to retail sales of tangible personal property. Sales of sand and gravel are taxable unless sold to a licensed vendor for resale.

The retailer of sand and gravel who removes sand and gravel stocks to fulfill his own construction obligations is subject to sales or use tax on the acquisition cost of the products used at the time of conversion to his own use or consumption.

Persons who purchase the right to remove sand and gravel from another's land are subject to a use tax on the purchase price of the sand and gravel when removed, unless the same is held for resale.



Colorado Department of Revenue Taxpayer Service Division 1375 Sherman St. Denver, Colorado 80261

Forms and other services: (303) 238-FAST (3278) Assistance: (303) 238-SERV (7378) Fuel Tax: (303) 205-5602 www.taxcolorado.com

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